BUSINESS AND COMMERCE CODE

TITLE 4. BUSINESS OPPORTUNITIES AND AGREEMENTS

CHAPTER 54. COMPENSATION AGREEMENTS FOR SALES REPRESENTATIVES

Sec. 54.001. DEFINITIONS. In this chapter:

(1) "Commission" means compensation paid a sales representative by a principal in an amount based on a percentage of the dollar amount of certain orders for or sales of the principal's product.

(2) "Principal" means a person who:

(A) manufactures, produces, imports, or distributes a product for sale;

(B) uses a sales representative to solicit orders for the product; and

(C) compensates the sales representative wholly or partly by commission.

(3) "Sales representative" means an independent contractor who solicits, on behalf of a principal, orders for the purchase at wholesale of the principal's product.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 54.002. CONTRACT. (a) A contract between a principal and a sales representative under which the sales representative is to solicit wholesale orders within this state must:

(1) be in writing or in a computer-based medium; and

(2) state the method by which the sales representative's commission is to be computed and paid.

(b) The principal shall provide the sales representative with a copy of the contract.

(c) A provision in the contract establishing venue for an action arising under the contract in a state other than this state is void.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 54.003. PAYMENT ON TERMINATION OF CERTAIN COMPENSATION AGREEMENTS. If a compensation agreement between a sales representative and a principal that does not comply with Section 54.002 is terminated, the principal shall pay all commissions due the sales representative not later than the 30th working day after the date of the termination.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 54.004. DAMAGES. A principal who fails to comply with a provision of a contract under Section 54.002 relating to payment of a commission or who fails to pay a commission as required by Section 54.003 is liable to the sales representative in a civil action for:

(1) three times the unpaid commission due the sales representative; and

(2) reasonable attorney's fees and costs.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 54.005. PERSONAL JURISDICTION. A principal who is not a resident of this state and who enters into a contract subject to this chapter is considered to be transacting business in this state for purposes of the exercise of personal jurisdiction over the principal.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Sec. 54.006. WAIVER. A provision of this chapter may not be waived, whether by an express waiver or by an attempt to make a contract or agreement subject to the laws of another state. A waiver of a provision of this chapter is void.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.